
HOUSE BILL No. 1922

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-2.6; IC 5-10.2-4-8; IC 21-6.1-5-17.

Synopsis: Retired teacher pensions and health insurance. Removes the two year limitation on a surviving spouse's participation in a retired local unit employee's group health insurance program and reinstates surviving spouses who are eligible for coverage. Eliminates the earnings cap for a retired teachers' retirement fund (TRF) member who is reemployed in a covered position and has not attained the Social Security normal retirement age for unreduced benefits. Reduces to 30 days the period within which retirement benefits stop if a retired TRF member is reemployed in a covered position. Permits a retired TRF member to assign benefits for paying dues for a retired membership to any association that proves to the TRF board's satisfaction that the association has as members at least fifty percent (50%) of the number of active members of the fund.

Effective: July 1, 2003.

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January 23, 2003, read first time and referred to Committee on Labor and Employment.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1922

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-2.6, AS AMENDED BY P.L.286-2001,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 2.6. (a) This section applies only to local unit
4 public employers and their employees. This section does not apply to
5 public safety employees, surviving spouses, and dependents covered by
6 section 2.2 of this chapter.

7 (b) A public employer may provide programs of group insurance for
8 its employees and retired employees. The public employer may,
9 however, exclude part-time employees and persons who provide
10 services to the unit under contract from any group insurance coverage
11 that the public employer provides to the employer's full-time
12 employees. A public employer may provide programs of group health
13 insurance under this section through one (1) of the following methods:

- 14 (1) By purchasing policies of group insurance.
15 (2) By establishing self-insurance programs.
16 (3) By electing to participate in the local unit group of local units
17 that offer the state employee health plan under section 6.6 of this



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1 chapter.

2 A public employer may provide programs of group insurance other
3 than group health insurance under this section by purchasing policies
4 of group insurance and by establishing self-insurance programs.
5 However, the establishment of a self-insurance program is subject to
6 the approval of the unit's fiscal body.

7 (c) A public employer may pay a part of the cost of group insurance,
8 but shall pay a part of the cost of group life insurance for local
9 employees. A public employer may pay, as supplemental wages, an
10 amount equal to the deductible portion of group health insurance as
11 long as payment of the supplemental wages will not result in the
12 payment of the total cost of the insurance by the public employer.

13 (d) An insurance contract for local employees under this section
14 may not be canceled by the public employer during the policy term of
15 the contract.

16 (e) After June 30, 1986, a public employer shall provide a group
17 health insurance program under subsection (g) to each retired
18 employee:

19 (1) whose retirement date is:

20 (A) after May 31, 1986, for a retired employee who was a
21 teacher (as defined in IC 20-6.1-1-8) for a school corporation;
22 or

23 (B) after June 30, 1986, for a retired employee not covered by
24 clause (A);

25 (2) who will have reached fifty-five (55) years of age on or before
26 the employee's retirement date but who will not be eligible on that
27 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
28 seq.;

29 (3) who will have completed twenty (20) years of creditable
30 employment with a public employer on or before the employee's
31 retirement date, ten (10) years of which must have been
32 completed immediately preceding the retirement date; and

33 (4) who will have completed at least fifteen (15) years of
34 participation in the retirement plan of which the employee is a
35 member on or before the employee's retirement date.

36 (f) A group health insurance program required by subsection (e)
37 must be equal in coverage to that offered active employees and must
38 permit the retired employee to participate if the retired employee pays
39 an amount equal to the total of the employer's and the employee's
40 premiums for the group health insurance for an active employee and if
41 the employee, within ninety (90) days after the employee's retirement
42 date files a written request with the employer for insurance coverage.

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1 However, the employer may elect to pay any part of the retired
2 employee's premiums.

3 (g) A retired employee's eligibility to continue insurance under
4 subsection (e) ends when the employee becomes eligible for Medicare
5 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
6 employer terminates the health insurance program. A retired employee
7 who is eligible for insurance coverage under subsection (e) may elect
8 to have the employee's spouse covered under the health insurance
9 program at the time the employee retires. If a retired employee's spouse
10 pays the amount the retired employee would have been required to pay
11 for coverage selected by the spouse, the spouse's subsequent eligibility
12 to continue insurance under this section is not affected by the death of
13 the retired employee. The surviving spouse's eligibility ends on the
14 earliest of the following:

15 (1) When the spouse becomes eligible for Medicare coverage as
16 prescribed by 42 U.S.C. 1395 et seq.

17 (2) When the employer terminates the health insurance program.

18 ~~(3) Two (2) years after the date of the employee's death.~~

19 ~~(4) (3)~~ (3) The date of the spouse's remarriage.

20 (h) If:

21 **(1) the surviving spouse of a deceased retired employee has**
22 **ceased to be eligible to continue insurance under subsection**
23 **(g) because the retired employee's death occurred more than**
24 **two (2) years earlier; and**

25 **(2) none of the other events listed in subsection (g) that end a**
26 **surviving spouse's eligibility for coverage has occurred;**

27 **the surviving spouse shall be reinstated in the health insurance**
28 **program of the deceased retired employee's employer on July 1,**
29 **2003, and continues to be eligible for coverage in the program until**
30 **one (1) of the events listed in subsection (g) that end a surviving**
31 **spouse's eligibility occurs.**

32 ~~(h)~~ (i) This subsection does not apply to an employee who is entitled
33 to group insurance coverage under IC 20-6.1-6-1(c). An employee who
34 is on leave without pay is entitled to participate for ninety (90) days in
35 any group health insurance program maintained by the public employer
36 for active employees if the employee pays an amount equal to the total
37 of the employer's and the employee's premiums for the insurance.
38 However, the employer may pay all or part of the employer's premium
39 for the insurance.

40 ~~(i)~~ (j) A public employer may provide group health insurance for
41 retired employees or their spouses not covered by subsections (e)
42 through (g) and may provide group health insurance that contains

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provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection ~~(h)~~ (i), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 2. IC 5-10.2-4-8, AS AMENDED BY P.L.246-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) As used in this section, "exempt amount" means, in the case of a member who has not attained the Social Security normal retirement age for unreduced benefits, twenty-five thousand dollars (\$25,000), computed for the calendar year in which a retired public employees' retirement fund member is reemployed. ~~and computed for the fiscal year in which a retired teachers' retirement fund member is reemployed.~~

(b) This subsection does not apply to a member who is employed by the department of education **or to a teachers' retirement fund member.** If a member who is receiving retirement benefits and who has not attained the Social Security normal retirement age for unreduced benefits:

(1) becomes reemployed in a position covered by this article; and
(2) earns in that position more than the exempt amount;
his retirement benefit payments shall stop, and the member shall begin making contributions as required in IC 5-10.2-3-2. However, employer contributions shall be made throughout the period of reemployment. The earnings limitation under this subsection does not apply to a member who has attained the Social Security normal retirement age for unreduced benefits.

(c) If a member who is receiving retirement benefits is reemployed in a position covered by this article not more than:

(1) ninety (90) days **for a member of the public employees' retirement fund; or**
(2) **thirty (30) days for a member of the teachers' retirement fund;**

after the member's retirement, the member's retirement benefits shall stop, the member shall begin making contributions as required by IC 5-10.2-3-2, and employer contributions shall be made throughout the period of reemployment.

(d) If a retired member is reemployed in a position covered by this article, section 10 of this chapter applies to the member upon the member's retirement from reemployment.

SECTION 3. IC 21-6.1-5-17 IS AMENDED TO READ AS



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1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. Benefits Exempted
2 from Legal Process; Assignment of Benefits. (a) The benefits payable
3 from the fund are exempt from seizure or levy on attachment,
4 supplemental process, and all other processes.

5 (b) A member may not transfer any benefit payment; such a transfer
6 is void. However, a member may assign benefits for paying:

7 (1) premiums on a group, life, hospitalization, surgical or medical
8 insurance plan maintained in whole or in part by a state agency;
9 **and**

10 (2) dues to any association which proves to the board's
11 satisfaction that the association has as members at least twenty
12 percent (20%) of the number of retired members of the fund; **and**

13 **(3) dues for a retired membership to any association that**
14 **proves to the board's satisfaction that the association has as**
15 **members at least fifty percent (50%) of the number of active**
16 **members of the fund.**

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